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*Attorneys for Plaintiff-Counterdefendant
Navigant Consulting, Inc.*

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

NAVIGANT CONSULTING, INC., a Delaware
corporation,

Plaintiff-Counterdefendant,

v.

JESS VARUGHESE, an individual,

Defendant-Counterplaintiff.

Case No. 07 CIV 4854 (PKL)

**NAVIGANT'S RULE 26(A)(1)
DISCLOSURE STATEMENT**

JURY TRIAL DEMANDED

Pursuant to Federal Rule of Civil Procedure 26(a)(1), Plaintiff-Counterdefendant Navigant Consulting, Inc. ("Navigant"), through its attorneys, submits the following initial disclosures to Defendant-Counterplaintiff Jess Varughese ("Varughese"). Navigant's investigation continues and, therefore, Navigant reserves the right to supplement or amend these

disclosures pursuant to Federal Rule of Civil Procedure 26(e).

A. Rule 26(a)(1)(A) Disclosures - Witnesses

The name and, where known, the address of each individual who may have discoverable information that Navigant may use to support its claims and defenses is set forth in the table below:

Name and Address:	Preliminary Subject Areas of Testimony:
Julie Howard Navigant Consulting, Inc. ¹ 615 N. Wabash Avenue Chicago, IL 60611 (312) 573-5600	Recruitment/hiring of Varughese; communications with Varughese
Sharon Siegel-Voelzke Navigant Consulting, Inc. 615 N. Wabash Avenue Chicago, IL 60611 (312) 573-5600	Operations of the Global Financial Institutions (“GFI”) subpractice at Navigant and services performed for Deutsche Bank; activities of Varughese, Kostakis, and Bond while working for Navigant; departure from Navigant of Varughese, Kostakis, Bond, and others now affiliated with Milestone Advisory Services, LLC (“Milestone”); communications with Varughese; computer policies and procedures
Doug Reichert LECG LLC 424 Church Street, Suite 2550 Nashville, TN 37219 (615) 726-7969	Recruitment/hiring of Varughese

¹ All Navigant personnel should be contacted only through the undersigned attorneys for Navigant. For all Navigant personnel, we have listed Navigant’s corporate headquarters rather than the individual offices for each person. For individuals that are not current Navigant personnel, we have listed any known address for that individual.

Name and Address:	Preliminary Subject Areas of Testimony:
<p>Erik Linn Navigant Consulting, Inc. 615 N. Wabash Avenue Chicago, IL 60611 (312) 573-5600</p>	<p>Operations of the GFI subpractice at Navigant and services performed for Deutsche Bank; departure from Navigant of Varughese, Kostakis, Bond, and others now affiliated with Milestone; activities of Varughese, Kostakis, and Bond while working for Navigant; use of subcontractors; staffing needs and staffing decisions for Navigant's Financial Services Practice; communications with Varughese</p>
<p>Bruce Klein Navigant Consulting, Inc. 615 N. Wabash Avenue Chicago, IL 60611 (312) 573-5600</p>	<p>Operations of the GFI subpractice at Navigant and services performed for Deutsche Bank; departure from Navigant of Varughese, Kostakis, Bond, and others now affiliated with Milestone; activities of Varughese, Kostakis, and Bond while working for Navigant; use of subcontractors; staffing needs and staffing decisions for Navigant's Financial Services Practice; communications with Varughese</p>
<p>Jennifer Page Navigant Consulting, Inc. 615 N. Wabash Avenue Chicago, IL 60611 (312) 573-5600</p>	<p>Operations of the GFI subpractice at Navigant and services performed for Deutsche Bank; departure from Navigant of Varughese, Kostakis, Bond, and others now affiliated with Milestone; activities of Varughese, Kostakis, and Bond while working for Navigant; use of subcontractors; staffing needs and staffing decisions for Navigant's Financial Services Practice; communications with Varughese</p>
<p>Laura Godfrey Navigant Consulting, Inc. 615 N. Wabash Avenue Chicago, IL 60611 (312) 573-5600</p>	<p>Recruitment/hiring of Varughese</p>
<p>Marc Varner Navigant Consulting, Inc. 615 N. Wabash Avenue Chicago, IL 60611 (312) 573-5600</p>	<p>Computer hard-drive used by Varughese while at Navigant</p>

Name and Address:	Preliminary Subject Areas of Testimony:
Gary Napadov Navigant Consulting, Inc. 615 N. Wabash Avenue Chicago, IL 60611 (312) 573-5600	Work performed for Deutsche Bank by Navigant; damages
Carly Steinbrenner Navigant Consulting, Inc. 615 N. Wabash Avenue Chicago, IL 60611 (312) 573-5600	Work performed for Deutsche Bank by Navigant; damages
Charles DeLoach Navigant Consulting, Inc. 615 N. Wabash Avenue Chicago, IL 60611 (312) 573-5600	Communications/dealings with Varughese
Dean Carson Navigant Consulting, Inc. 615 N. Wabash Avenue Chicago, IL 60611 (312) 573-5600	Work performed for Deutsche Bank by Navigant; damages
Steven Kinney Navigant Consulting, Inc. 615 N. Wabash Avenue Chicago, IL 60611 (312) 573-5600	Work performed for Deutsche Bank by Navigant; damages
Jeffrey Schwartz	Use of subcontractors by Navigant; work performed for Deutsche Bank by Navigant; damages
Jack Mordekai	Use of subcontractors by Navigant; work performed for Deutsche Bank by Navigant; damages
Binsar Marseto Navigant Consulting, Inc. 615 N. Wabash Avenue Chicago, IL 60611 (312) 573-5600	Work performed for Deutsche Bank by Navigant; damages

Name and Address:	Preliminary Subject Areas of Testimony:
Narashima Kini	Use of subcontractors by Milestone and by Navigant
Neil Diamond	Use of subcontractors by Milestone and by Navigant
Scott Applebaum	Use of subcontractors by Milestone and by Navigant
Tom Ellis Milestone Advisors 330 Madison Avenue, 9 th Floor New York, NY 10017 (212) 573-0930	Information generally regarding Milestone; work performed for Deutsche Bank on behalf of Milestone; work performed for Deutsche Bank on behalf of Navigant; Navigant's hiring of Ellis, and agreements between Navigant and Ellis; circumstances surrounding Ellis's departure from Navigant
Stephanie Davis Milestone Advisors 330 Madison Avenue, 9 th Floor New York, NY 10017 (212) 573-0930	Information generally regarding Milestone; work performed for Deutsche Bank on behalf of Milestone; work performed for Deutsche Bank on behalf of Navigant; Navigant's hiring of Davis, and agreements between Navigant and Davis; circumstances surrounding Davis's departure from Navigant
Steve Wolf	Information generally regarding Milestone, including use of subcontractors and work for Deutsche Bank
Shalu Wadhera	Information generally regarding Milestone, including use of subcontractors and work for Deutsche Bank
Parul Gupta	Information generally regarding Milestone, including use of subcontractors and work for Deutsche Bank
Sweta Goenka	Information generally regarding Milestone, including use of subcontractors and work for Deutsche Bank

Name and Address:	Preliminary Subject Areas of Testimony:
Punya Sandhu	Information generally regarding Milestone, including use of subcontractors and work for Deutsche Bank
Jiten Parikh	Information generally regarding Milestone, including use of subcontractors and work for Deutsche Bank
Monica Dua	Information generally regarding Milestone, including use of subcontractors and work for Deutsche Bank
Chris Milham Milestone Advisors 330 Madison Avenue, 9 th Floor New York, NY 10017 (212) 573-0930	Information generally regarding Milestone; work performed for Deutsche Bank on behalf of Milestone; work performed for Deutsche Bank on behalf of Navigant; Navigant's hiring of Milham, and agreements between Navigant and Milham; circumstances surrounding Milham's departure from Navigant
Peter Bond 7 East 14th St New York, NY 10003	Activities of Varughese, Kostakis, and Bond while working for Navigant; services performed for Deutsche Bank by the Financial Services Practice; use of subcontractors; staffing needs and staffing decisions for Navigant's Financial Services Practice; departure of individuals from Navigant; information regarding Milestone, including services performed for Deutsche Bank, solicitation of employees for Milestone, and work with subcontractors.
Dean Basil KPMG	Information generally regarding Milestone
Miguel Sagarna KPMG New York, NY	Information generally regarding Milestone
Dina Molezsky	Information generally regarding Milestone; the activities of Varughese, Kostakis, and Bond while working for Navigant

Name and Address:	Preliminary Subject Areas of Testimony:
Konstantine Kostakis 22-48 74th St Jackson Heights, NY 11370	Activities of Varughese, Kostakis, and Bond while working for Navigant; services performed for Deutsche Bank by the Financial Services Practice; use of subcontractors; staffing needs and staffing decisions for Navigant's Financial Services Practice; departure of individuals from Navigant; information regarding Milestone, including services performed for Deutsche Bank, solicitation of employees for Milestone, and work with subcontractors; conversations with other Navigant employees and subcontractors
Jess Varughese Milestone Advisors 330 Madison Avenue, 9 th Floor New York, NY 10017 (212) 573-0930	Varughese's recruitment, hiring, compensation, contractual provisions, departure, and competitive activities at Navigant; services performed for Deutsche Bank by the Financial Services Practice; use of subcontractors; staffing needs and staffing decisions for Navigant's Financial Services Practice; departure of individuals from Navigant; information regarding Milestone, including services performed for Deutsche Bank, solicitation of employees for Milestone, and work with subcontractors; conversations with other Navigant employees and subcontractors; deletion of materials from Navigant's computer

B. Rule 26(a)(1)(B) Disclosure – Documents

A description by category and location of all documents, electronically stored information, and tangible things in the possession, custody, or control of Navigant, and that Navigant may use to support its claims or defenses, is set forth in the table below:

Location:	Categories:
Various offices of Navigant Consulting, Inc., including offices in Chicago, Illinois, Washington, D.C., New York City, New York, Vienna, Virginia, and Princeton, New Jersey.	Jess Varughese's recruitment, hiring, compensation, contractual provisions, personnel file, marketing expenses, departure, and competitive activities; former Navigant employees' personnel files, departures and competitive activities; services performed for Deutsche Bank by the Financial Services Practice; Deutsche Bank invoices; communications with subcontracting companies and subcontractor consultants; staffing needs and staffing decisions for Navigant's Financial Services Practice; email correspondence among key individuals; corporate organizational/practice group documents; paper and electronic calendars for key individuals; the computer hard-drive used by Varughese at Navigant.

C. Rule 26(a)(1)(C) Disclosures - Damages

Along with injunctive and other relief, Navigant seeks (1) damages for the profits, revenues, and other benefits that Varughese gained due to his unlawful and wrongful conduct; (2) damages resulting from Varughese's competitive activities; (3) forfeiture of compensation Varughese received during the period in which he was breaching his fiduciary duty to Navigant; (4) \$267,361.12 in repayment of the retention bonuses Varughese was paid by Navigant pursuant to certain retention agreements; and (5) Navigant's costs and attorneys' fees incurred in enforcing its rights against Varughese. Aside from the repayment of the retention bonuses, at this time Navigant is unable to calculate the full extent of the damages it has suffered and will continue to suffer as a result of Varughese's breach of his obligations to Navigant. The amount of Navigant's damages depends, in part, on information only available to Varughese at this time. Moreover, Navigant's damages likely will be the subject of expert testimony.

The complete computation of Navigant's damages requires information that at the present time remains in the possession, custody, or control of Varughese. The Advisory Committee Notes to Federal Rule of Civil Procedure 26 state that "a party would not be expected to provide a calculation of damages which ... depends on information in the possession of another party or person." *Advisory Committee Notes*, 1993 Amendments. Accordingly, Navigant states that a computation of damages is premature at the present time. Navigant will supplement this response at the appropriate time in line with the Court's scheduling orders.

In accordance with Federal Rule of Civil Procedure 26(a)(1)(C), Navigant will make "available for inspection and copying as under Rule 34 the documents or other evidentiary material, not privileged or protected from disclosure" on which Navigant's ultimate damages computation will be based.

D. Rule 26(a)(1)(D) Disclosures - Insurance

Navigant is currently unaware of any insurance agreements that are relevant to this litigation.

Dated: August 20, 2007
Chicago, Illinois

Respectfully submitted,

By: 

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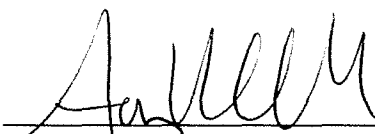
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*Attorneys for Plaintiff-Counterdefendant
Navigant Consulting, Inc.*

CERTIFICATE OF SERVICE

I, Amy P. Purcell, an attorney, hereby state that on August 20, 2007, I caused a copy of the foregoing **NAVIGANT'S RULE 26(A)(1) DISCLOSURE STATEMENT** to be served via facsimile and U.S. mail on the following counsel of record:

Alexandra Wald
Marc Isserles
Bertrand Madsen
Karen Bromberg
COHEN & GRESSER
100 Park Avenue
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(212) 957-4514 Facsimile



Amy P. Purcell